PUBLIC ADMINISTRATION:- PORT OPERATIONS

C O P Y

This is an Agreement to operate the new Jedda Port written in Jedda on Sunday the 27th Rajab, 1369 between the Saudi Arabian Government represented legally in this Agreement by His Excellency Sk. Abdullah Suleiman Hamdan, Minister of Finance called hereafter the "Government" as first party

AND

Haji Abdullah Alireza & Company, Saudi Arabian Company established 1281 represented in this agreement by Mr. Mohammed Abdullah Alireza, Executive Vice-President, according to the legal document No.284 dated 3-3-1352, called hereafter the Company, as second party.

Agreement and acceptance has been achieved between the two above mentioned parties on the following:-

1. The Company prepares under its own responsibility and on the account of the Government all the floating equipments and all other necessary equipments to guide ships, barges, vessels, big sailing boats, bring them to the new pier situated south of Jedda and take them out to the sea, prepare the necessary pilots, crew, labour force, for all those operations in accordance with the number to be agreed upon by the Government and the Company. Shipping Agencies have the right to choose their pilots provided they inform the Company about them.

2. The Company prepares under its responsibility and on the account of the Government all labourers and means necessary for the discharge or load of goods of different kinds or weights in the Customs zone at the new port whether those ships are anchoring at the new pier or at the quay or far from the piers along the coast. Moreover the Company takes charge of storing the goods in the Government warehouses which belong to the Customs, arranging them and withdrawing them after completing the Customs procedures and collecting the duties according to the regulations.

3. The Company prepares under its responsibility and at the expense of the Government all the necessary means and equipment to transport all persons and goods at the port, or at the pier, from the port area to the City of Jedda and vice versa.

4. The Company prepares under its responsibility and on the account of the Government what is necessary for regular work, such as the maintenance and operation of the pier, port and equipment, stores, means of transport, and it should do all these works as quickly as possible to avoid any delay in the work at the port and to be ready day and night according to necessity to receive passengers and cargo.

5. The Company prepares under its responsibility and guarantee a detailed statement of all the arrangements it is going to make in order to administer all those operations, staff, workers, equipments which ensure proper running of the work at the port and to show the cost of all that, and this statement shall be valid for one year, and it should be presented to the Government in order to obtain its consent and confirmation before the lapse of one month from the date of this Agreement.

6. The Company is obliged to respect all rules and regulations, instructions concerning Customs, Coast Guards, Ports and Lighthouses. Companies Quarantine and Passport offices and it shall be responsible to see that its employees respect those rules and regulations.

7. The Company with the participation of the Ports and Coast Guard services, shall prepare a project for the different tariffs concerning tonnage, mooring, pier and pier operations, harbour charges, night work, floating equipment charges, and other charges which are usually collected for the Government, local, municipal or other offices at the ports of civilized countries. This project should be presented to the Government in order to be agreed upon and confirmed before the elapse of one month from this Agreement.

8. In order to enable the Company to perform its duties according to the provisions of this Agreement it has the right to use at its own responsibility all the necessary equipments, cranes, etc. which are available and required for operating the port.

9. The Company shall be responsible and guarantee any loss in life or property which might happen on land or sea as a result of executing or managing the operations required according to this Agreement and according to Islamic Law and to the rules and regulations adopted in civilized countries.

10. The provisions of this Agreement shall not interfere with any concession or monopoly or the rights of any office recognized by the Government.

11. The Company has to abide by and respect all the rules and regulations which are or will be recognized for the Saudi Arabian Customs as regards storing, arranging, withdrawing of goods and other procedures included in the Customs operations at the ports, and if it wishes to suggest the amendment of one of the provisions of the regulations in order to simplify or facilitate the operations, such as the storing or withdrawing of goods, it may ask the help of experts in customs procedures together with the concerned Government officials, then their recommendations and suggestions shall be submitted to the Government for consideration,

12. The Government is not responsible at all for all the operations which are carried by the company according to this Agreement and does not guarantee those operations; on the other hand the Company is responsible before the Government and before others for the proper fulfillment of its undertakings and obligations.

13. The Company shall prepare a project for the tariff of pilotage, transport fees for goods and persons in the port area whether on land or at sea and shall present this project to the Government for approval and confirmation before the lapse of one month from the date of this agreement.

14. The Company should take into consideration the priority of the arrival of the ships to the port area, and anyhow it is responsible for receiving and carrying the instructions of the Coast Guard Service in every case separately.

15. The Company or its men, workers or pilots or guides, are not allowed to go on board any of the ships or boats before their arrival to the pier except with the permission of the Coast Guards and after completing the procedures of the Port Police, Quarantine; and it is not allowed to discharge or ship goods whether the ships are anchoring at the pier or in the sea before obtaining a permit from the Customs Authorities.

16. It is not allowed to discharge any cargo arriving by sea before presenting an application to the Customs signed by the Captain or the Agent of the shipping agency attached to the original copy of the manifest and two copies in Arabic. The Company before commencing the discharge should make sure of the permission of the Customs for the discharge according to an official letter. The Customs after checking the manifest has to give a copy of it to the Company for sending it to the customs warehouses in order to receive the ships cargo accordingly. The receipt and delivery of the goods at the warehouses should be in the presence of the representative of the Shipping Agency. The Customs may permit mail ships which have local agencies to discharge the cargo before presenting the manifest and the Company should receive the consignment until the manifest is presented within 36 hours at the utmost, and if the consignment contains goods which should be unloaded in spacial places such as inflammable goods, the shipping agencies should present a statement of two copies in Arabic of those goods in order to send one to the Company and the other to the port where the unloading shall take place. The representative of the shipping agency should endorse his copy indicating that the goods have been transferred to some other place.

17. It is forbidden to discharge inflammable, dangerous, corrosive or explosive goods over ordinary goods, and they should be put in separate vessels or barges and be stored in special places according to Customs instructions; as regards highly inflammable and explosive materials they should not be discharged except in accordance with the conditions and in the places agreed upon, by the Public Security Department and the Ministry of Defence.

18. The Company should avoid as much as possible leaving the goods on the pier and has to transport the ships loads immediately to the Customs warehouses or to the proper places. Nevertheless, it is possible to discharge goods on the quay provided they are carried to the warehouses immediately.

19. The Customs Commissioner has the right to stop the discharge at any time especially if the Shipping Company refused or was late in presenting the manifest; and he should immediately write an official report stating the reasons which induced him to stop the discharge.

20. Imported goods shall be carried from the pier to the warehouses or to the proper places by porters or means of transport procured by the Company and at the expense of the Government.

21. The Company takes charge of carrying the passengers and their luggage from the ships to the inspection section at the Customs and the Customs collect the fees of transportation, portage together with the Customs duties if due, and that shall be added to the credit of the account of the Government in the Company's books.

22. While storing the goods in the stores or other places it should be entered immediately in the receipt books with the marks and numbers and the Company should, after receiving the consignment, give the representative of the Shipping Agency or the Captain a receipt. Nevertheless, the entry of the parcels in the book of receipt is considered as evidence that the Company has actually received the consignment. The Company should notify the Customs Administration by writing on the manifest copy a statement of the packages that have not arrived and a statement of the parcels that arrived but not included in the manifest, or of the damaged parcels, so that the Customs may ask the shipping agencies for the necessary explanations.

23. The Company has to write the number of the ship's journey on every parcel while being received, and these numbers are registered by the manifest section serially on every manifest presented to it.

24. When receiving the goods in the warehouses, the Company should arrange the goods of every ship separately and should see that the number of the ship's journey is marked on all packages and that the numbers and marks are visible so that parcels may be easily located in the piles, also that the height of the piles and the width of the passages are consistent with the Customs regulations.

25. As regards parcels which have no marks or numbers or which have marks or numbers similar to those of other parcels arriving on the same boat, the Company should ask the shipping agency concerned to put a recognizing mark on the parcels, and this mark should be registered on all the documents of the consignment. Parcels the apparent condition of which indicate that they are damaged should be separated and an acknowledgement should be obtained from the captain or the representative of the shipping company, concerning the condition of these parcels; they should be weighed and the weights should be marked on them before being stored in the proper place in the warehouse. If these packages are consigned for Government Departments they must be checked in the presence of the representative of the Government department concerned. The shipping agencies are responsible under all conditions for the repair of those packages as found necessary by the Company so that it may be able to receive them.

26. The Company shall receive the big parcels such as cars, machines, furniture boxes, iron beams or bars, pipes, lumber building materials and similar materials outside the Customs warehouses.

27. The Company should notify the Customs immediately of the perishable goods, in case the consignee does not come forward to receive them, and if the goods are not withdrawn immediately they shall be considered as unclaimed. The Customs should send an estimator to inspect the consignment and to decide if the situation requires immediate sale or whether it could be postponed. As regards parcels landed by mistake if the shipping agencies presented a request for re-exporting them to their original destination, and the Customs Authorities are convinced after examining the documents and original manifest that they were consigned for another port, they shall notify the Company to return the goods to the ship under Customs supervision.

28. The Company agrees with the Customs to specify a certain fenced space in each warehouse for "Visitor" procedures, and the Company should provide the porters necessary for carrying the parcels, opening, reclosing and returning them to their original place in the warehouse after inspection. But the consignees may bring openers from their side and at

their own expense without deducting any amount from the duties or charges.

29. All samples requested by the Customs are sent to the estimation section for inspection, then returned to the parcels and this procedure should be registered in the samples book.

30. The Company has to endorse all the procedures certificates of clearance before clearing the consignments, indicating that it has received the goods in its warehouses or any other place, and indicating the date of discharge and the condition of the goods if damaged, also the warehouse number, the journey number and the name of the ship.

31. The Company should not deliver any goods neither from the stores nor from the pier or any other place, except according to a release permit from the Customs attached to the delivery order which the Company keeps after being signed by the person concerned indicating that the goods have been delivered to the consignee or his representative and that the Company has collected the portage fees. The Company has to provide cards indicating the load of the cars or carts showing the number of parcels, marks and numbers, delivery order number, date of delivery and number of car or cart, and name of driver. The exit of those cars or carts shall not be permitted except after presenting those cards to the chief gateman and after being checked by him. The Company has to see that no packages are taken out from the warehouses unless the means of transport are standing by the warehouse door.

32. Release permits presented to the Company after the expiration of the date fixed for actual delivery, should be returned to the Customs for confirmation and for collecting the demurrage charges if due. Any way those demurrage charges shall be collected by the Customs and shall not be subject to the commission of the Company as stated in this agreement.

33. The Company should not ship goods in general whether for export or transhipment or direct transhipment except with the permission of the Customs, and according to release permits in the first two cases and according to orders in the third case.

34. All goods found in the warehouses or storing places and not entered in the receipt books shall be treated by the Customs as smuggled goods and the Company shall be responsible for the due fines according to the Customs regulations and tariff.

35. As regards goods that are abandoned by their owners according to a written statement, also the minor things found in the warehouses or storing places or at the pier, the source of which is not known, the Company should notify the Customs about those goods in order to be treated as unclaimed goods, and that includes parcels the owners of which do not come forward to receive them within three months from the date they were unloaded, also seized goods, goods thrown by the sea and prohibited goods; and the manifest section should also be notified about those goods. The unclaimed goods warehouse shall be under the control of the Customs employees only, and nothing shall be stored except after being weighed, tied with wire, described, and sealed with lead. The disposal of the contents of this warehouse shall be done by the Customs employees and according to the customs regulations, and they may ask the help of the Company's porters for the purpose of carrying, arranging, loading, unloading and inventory.

36. The Company is responsible for any damage to the goods caused by its workers and porters or by their carelessness or which was directly caused by them, and it is not responsible for the damage caused by a force majeure such as fire. If the goods are in the Customs area, they shall remain so at the responsibility of the owners who should withdraw them quickly; and they have the right to insure those goods. Nevertheless the Company is responsible for the goods which are lost after being recieved by the Company against a receipt given to the shipping agency. The Company is also responsible for those goods it receives in good condition and are found later damaged or short. But the Company is not responsible for the contents of the packages if the outside appearance of the package is in normal condition.

37. The Coast Guards Service is responsible for guarding the Customs area whether at sea or on land, day and night; nevertheless the Company is responsible for guarding the goods during discharge, transport, storing, inspection and release, and on the whole as long as the goods are in the Customs area from the time they are received from the ships. The Company should put special guards on the goods stored outside the warehouses. At the end of the official work hours warehouses shall be inspected and closed with two different locks, and one key shall remain with the Company and the other with the Coast Guard Chief staying at the Customs, and the guards should be advised to check the locks and to close the gates firmly. As regards the goods received outside the warehouse, they shall be received according to a daily report of receipt and delivery. If it was discovered that the locks or gates, windows or roofs are broken, or if a deficit in the goods received outside the warehouses is discovered, the Company should notify the Customs immediately in order to make a thorough investigation and to check all the goods in the warehouses. This is besides the right of the Customs to check the goods partly or completely at any time, without giving any reasons.

38. The Company should obtain personal cards for its employees and workers for identification, certified by the Coast Guards and the Customs Authorities. Each one has to produce his personal card when he is asked to do so, otherwise he shall not be allowed to enter into the Customs area.

39. Customs inspection on goods and persons is the concern of the Customs Administration who has the right to ask the help of the Coast Guards to avoid smuggling or escape, until the custom's procedures are completed. Contraventions made against the Customs regulations shall be the concern of the Customs Administration who has to make the investigation, seize the smuggled goods and refrain from giving the release permit concerning suspicious goods or persons. The Customs should have secret service men and the Company has to help in the discovery of contraventions and accused persons.

40. Traffic at the main customs gate at night and during holidays shall be subject to customs regulations set by the Government. The customs warehouses may be opened for work at night according to the Government's request.

41. The Company is responsible for providing fire extinguishers suitable for use always for extinguishing fires in the warehouses and in other places where those extinguishers are needed; and it should prohibit smoking or lighting any fire near the warehouses. In case of fire the warehouses should be opened even if they are locked and the customs should be notified immediately.

42. In case the Coast Guards or the Customs authorities suspected any of the Company's employees or workers, the Company has to change him immediately. The Company should not allow anybody to enter the warehouse or come near the goods except those concerned as agreed upon by the Customs Administration. The Customs have the right to search the Company's staff, employees and means of transport.

43. The Customs Administration has the right to supervise all the Company operations and to inspect the warehouses and goods, and check the books and operations and the documents in the Customs area in order to check the execution of the instructions and obligations. The Government has the right to check the Company's books, accounts and other papers through an official of the Ministry of Finance or a delegate appointed for this purpose.

44. The Company has to keep in its office at the Customs area a set of books for entering stored and delivered goods according to the entry system agreed upon by the Company and the Customs Administration. The Company has to keep in its office in Jedda proper accounting books according to the instructions of the Ministry of Finance to enter all income and expenditure, and has to keep all confirmed vouchers, statements of expenditure, which should be signed under any condition.

45. The correspondence between the Company and the Government concerning all matters connected with this agreement is to be done through the person of the Minister of Finance except those matters assigned for other departments according to this agreement.

46. The Company pays on behalf of the Government all salaries, prices, wages, expenses and as a whole all expenses necessary for the execution of these obligations of the Company according to this Agreement for the purpose of operating, administering and maintaining the port and for carrying passengers and goods to and from the port. The Government has to provide the Company with all the necessary tools, equipment, and means of transport which were bought for this purpose.

47. The Company's workers should take charge of cleaning the port, piers, jetties, passages, warehouses and other storing places.

48. Goods consigned for the Company or any of the partners are to be stored in a separate place in the warehouses or other storing places under a special sign; this also includes goods imported by the Company's ships or by the ships belonging to the Company's agents, and it should be observed that ~~that~~ the load of each ship be always stored separately.

49. The Coast Guard, ports and customs services should collect custom duties, pier charges and other charges, each in its capacity according to official regulations, instructions and tariffs. In addition to that the Customs Administration collects the fares of transporting the passengers and their luggage from the ships to the inspection section in the Customs Building, and vice versa. Besides that, the Company collects charges for using the port's equipment on land or sea, and for using the vessels, barges, boats and all other floating mechanical units and also pilotage charges.

50. The Company shall have a suitable office in the Customs Building, and it should always be ready to face the needs of the port as regards workers and means of transport.

51. All maintenance expenses and transactions which exceed 10,000 Rials should be approved by the Government beforehand according to written permission from the Ministry of Finance. Any damage in the pier or the buildings must be immediately registered in a report in the presence of the representatives of the Coast Guards, the Customs and ports.

52. If the Company violates any of the provisions of this agreement, causing the delay of the work for more than one day, or the disturbance of the law at the port, which may result in breaking the regulations of the Customs, Coast Guards, public security; or if the Company or any of its responsible employees committed any Customs contravention, or if it occured to the Government that its confidence in the Company, on the basis of which this agreement has been made has been out of place, and if the Government warned the Company but it did not correct its mistake within a reasonable period, then the Government may impose a suitable penalty.

53. To compensate the Company for the proper fulfillment of its obligations according to this Agreement, and in return for all the advice and consultations which the Company provides for the Government for operating, maintaining and administering this port, and for transporting the goods and passengers, storing, etc. the Company has the right to get 5 per cent of the total income which it collects for the account of the Government according to the provisions of this Agreement. The Company can draw a part of its commission during the year on account; and it should deposit at the end of each month in the bank appointed by the Government, the balance of the amount which it received after paying the expenses.

54. The Company guarantees that its employees, workers, representatives, pilots, are of good experience and reputation, and it should give priority when appointing its staff to the Customs employees as well as others; and in cases where the regulations require permits, then the Company should obtain these permits.

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55. The period of this Agreement if ten H. years, as from the date this Agreement is signed and it shall be liable for renewal for a similar period and so on. But the Government has the right when legal justification arises to cancel this agreement before the expiration of this period by sending a written notice to the Company a month before the date of cancellation.

56. All disputes arising between the two parties as a result of this agreement or its execution or interpretation should be submitted to arbitration.

57. This agreement has been made of two copies of equal force, signed by both parties, and each party shall keep a copy to act accordingly.

First Party Second Party

Copy

Final

TRANSLATION

KINGDOM OF SAUDI ARABIA
Ministry of Finance

Upon studying the decision made regarding the taking over of handling, offloading, storage and custody of cargo at the new Dammam Port by the Railroad, the Committee after reviewing the circumstances and inspecting the Pier, the Customs warehouses and Compounds recommends that the following be adopted:

1. The discharge of ships will be in accordance with the Port Regulation.

2. The Railroad will not allow offloading of any shipments coming by sea except after presentation of the original manifest of subject shipments with (4) copies of Arabic and foreign language version. The Railroad will check copies of manifest with the original copy. Receipt and delivery will be made in the presence of a representative of the Shipping Agency concerned. The Railroad will however allow ships which have local agencies to discharge their shipments before presenting the manifest. The Railroad will receive the shipment and the manifest will be submitted within a period not exceeding 36 hours.

3. The Railroad will send copies of the manifest to Dammam Port Customs. The number of copies will be agreed upon between the Railroad and Customs.

4. The Railroad will notify Customs of the ships arrival dates, and the date when ships, barges and dhows completed offloading, due to its importance in assessing demurrage due on goods, which starts when cargo is loaded onto Railroad cars.

5. According to this new procedure, the Railroad will be considered responsible for offloading of cargo and to issue the necessary receipts to Steamship Companies. The Railroad will also be responsible to have these cargoes under its custody and storage of same at the Customs until they are delivered to owners after completing Customs formalities.

6. When offloading is completed the Railroad should send a copy of the manifest to the Customs on which will be noted the result of receiving or will send a detailed statement showing the following:

   (1) Grand total of packages shown on the manifest.
   (2) Number of packages short.
   (3) Number of packages in excess.
   (4) Grand total of packages actually received.
   (5) Marks and numbers of packages short.
   (6) Marks and number of packages in excess.

   Copy of manifest or above statement should be approved by the representative of the Steamship Company concerned and Railroad representative at the Port. As the information requested in items 5 & 6 of the above paragraph might take some time, the Railroad will have to send the information within a week on the most after the ship's departure.

7. The Railroad will observe homogeneous cargo such as cement, flour, lumber, pipes etc., and will load this cargo on seperate cars as possible to facilitate its inspection, complete the Customs formalities and to release it promptly.

8. It will be advisable to load Aramco exempted cargo according to its relative marks on seperate cars if possible, and not mix it with other cargo in order to promptly inspect and release it according to the practice followed.

9. The Railroad will be responsible to maintain up to date records of all packages delivered to her showing quantity, number and mark of incoming and outgoing cargo, in accordance with supporting documents.

10. The Railroad and its employees will be responsible for packages found to be short from the statement submitted by the Railroad to the Customs referred to in paragraph 6, in accordance with regulations and as will be found from the results of investigation.

11. The Railroad will be responsible for loss and damage to cargo caused by its employees and porters, their negligence or being directly responsible for that loss or damage according to the regulations followed. The Railroad will not be responsible for damage caused by power beyond its control such as fire.

12. The Railroad is responsible for packages delivered to her in good condition which later on are found short and in bad condition. However the Railroad will not be responsible for contents of these packages if their apparent condition is good.

13. Packages received broken or in bad condition will be placed in enclosed space inside the warehouse and marked with their actual weight in the presence of the Steamship Company representative, a Customs representative and Railroad representative. Condition of these packages will be shown on the waybill and will be moved in box cars if possible.

14. Storage of inflamable cargo and explosives shall be made in accordance with regulations presently in force.

15. Unmanifested cargo received will be stored seperately for its inspection by the Customs, the Railroad and representative of steamship company agents in order to know its contents.

16. The Railroad will show numbers of the ship's voyages on each package when stored in the Customs Compound. Manifests are generally given serial numbers each of which represent the number of the voyage concerned.

17. The Railroad will assign seperate space in warehouses and compounds for the shipment of each vessel seperately if possible.

18. The Railroad will immediately notify the Customs of fragile packages or perishables liable to loss and damage if their owners do not immediately appear to collect them. If such packages are not promptly collected, the Railroad will not bear their responsibility and the Customs will have to assign an appraiser to

inspect the shipment and decide whether it should be sold immediately or postpone its sale. Accrued Railroad and Customs charges will be paid from proceeds of sale, while the balance will be kept as a deposit for consignee.

19. The Railroad will assign special places in the warehouses for Customs inspection and weighing of cargo. It would be preferable if such places are enclosed. The Railroad will provide all assistance to Customs employees in performing their duties within the warehouses.

20. Railroad employees should not open any package or case by themselves inside warehouses or Customs Compounds and such cases should not be opened except on inspection in the presence of Customs employees concerned, the Railroad representative and owner of the cargo or his agent.

21. Specimen of goods sent to Customs for evaluation will be shown in special records by the Railroad, and made sure that they are returned to their relative packages or cases.

22. No goods will be moved out of the Customs area before completing Customs formalities and issuance of Customs release. The Railroad will not allow movement of loaded cars beyond the Customs area and Classification Yard before completion of formalities, even though the contents of these cars are exempted from Customs duties.

23. Customs will have the right to make a partial inventory from time to time on cargo stored in warehouses or compounds, and will have the right to make a complete inventory at the end of every year.

24. Every package found in the inventory to be short or in excess of the Railroad and Customs records will be subject to necessary investigation by Customs and Railroad Management and persons responsible will be penalized according to regulations in this concern.

25. Cargo will be stored in warehouses and compounds for one complete year after which will be considered as unclaimed goods. The Customs will subject such goods to regulations covering unclaimed goods. After sale, Customs dues, Railroad charges and other expenses accrued will be collected from the sale price, the balance of sale will be deposited for the owner.

26. In case of emergency danger in the warehouses or other storage areas, the Railroad will take immediate measures to protect the stored goods without obtaining prior permission of the Customs, but will notify the Customs immediately.

27. Customs employees concerned will have the right to pass through warehouses and Customs compounds to inspect the work, attend inspection of cargo and complete the necessary Customs formalities to assure that Customs regulations are fully enforced.

28. Cases of smuggling and pilferage which occur on the platforms en route or in the Customs will be referred to the Customs together with the confiscated goods and persons arrested after investigation is made for necessary action in accordance with regulations.

29. On enforcing the withdrawal of Customs employees from both piers after liquidating their duties, the Coast Guards Department and the Railroad will be responsible for controlling the Port and prohibited cargoes discharged on piers and other dutiable commodities beside regular cargoes. The Railroad will dispatch to Customs all such commodities together with persons in whose possession such commodities were apprehended, along with an explanatory statement carried by a representative, explaining type, and quantities, to enable Customs take the necessary action. The Railroad shall not allow passengers or commodities in their possession to leave the piers beyond the Customs area outside official working hours.

30. In case of goods destined to Ras Tanura, Mishab, Khobar or other Ports, which are offloaded from vessels into barges or launches for transportation to those places, the Railroad will request steamship companies to make an extract of the manifest and will send a copy of this extract to the Customs with two copies to Customs branches which will receive these barges and launches so that one copy confirming receipt is returned. The barges or launches will not be allowed to leave before securing Dammam Port Customs approval which will be granted upon receipt by Customs of extract of manifest, and the Railroad will check the packages prior to the departure of these barges.

31. No cargo will be exported from the piers before completion of Customs formalities and submission of a manifest approved by the Customs.

32. The Railroad and Customs will cooperate in applying instructions each in his department, for immediate release of shipments and to avoid delay.

33. In case of packages offloaded by mistake when Steamship Companies request their return to original destination, and when the Customs have made sure by reviewing the documents and original manifest, that such packages pertain to other places. The Customs will notify the Railroad to return these packages to the vessel which in turn will arrange their transportation to original destination.

34. The Railroad will mark on shipping documents, import bills and Customs statements before clearance of cargo that the Railroad has the cargo in the warehouses or in storage compounds, and will also mark the date when offloading was completed, its condition, whether it is in bad order and the number of voyage.

35. Operations connected with transit cargo, transhipment and supplying ships with provisions are not allowed except after completion of Customs formalities.

36. Customs will be notified of all cargo renounced by owners in writing, also of partial things and sweepings found in warehouses or storage areas or on the piers which are of unknown origin to be dealt with as unclaimed goods.

37. The Railroad will be responsible for the goods from the time they are offloaded from vessel or other means of transportation and loaded on Railroad cars. These goods will remain under

Railroad custody and protection until they leave the Customs and are delivered to owners after completion of the necessary Customs formalities.

38. After approval of H.E. the Minister of Finance on these instructions, the Railroad and the Customs will agree upon the method with which all cargo presently stored in the Customs warehouses and compounds will be delivered and taken over by the Railroad. This cargo will be moved from the custody of Customs and entrusted to the Railroad after signature on delivery report of such cargo, as indicated by statements extracted by the Customs from their records and physically checked with cargo available in the warehouses and compounds during the operation of delivery and taking over.

39. Customs inspection on cargoes and persons is the duty of Customs employees. Customs employees stationed on the Customs gates will check released cargoes against what is shown on Customs release, and carry out any inspection as might be required. The Customs shall designate sufficient employees to inspect Company's homogeneous non-dutiable cargoes which the Customs think can be released during the day hours without taking it into the Customs Compound. If the Railroad wanted to continue working at night to release homogeneous cargoes referred to above, they will so notify the Customs to arrange for the placement of employees required for inspection and release. The Railroad should place such cars on the main track adjacent to the station where there is sufficient lighting to save the employees the risk of walking between Railroad tracks at night.

40. Railroad and Customs employees or their delegates are requested to respect all regulations, orders and instructions pertaining to Customs and Railroad, and every dispute arising between the Customs and the Railroad in applying these instructions will be referred to the Ministry of Finance to decide on what should be followed.

41. The Railroad will erect fencing around the track from the shoreline to the Customs, and provide it with lighting at night as possible, to properly secure cargo. It will also provide telephone communications between the Railroad and the Customs to immediately settle matters connected with the Customs.

42. After the regular working hours the Customs warehouses will be closed with two padlocks, the Customs officer will keep a key of one padlock and the key of the other will be kept by the Railroad officer. Warehouses will be opened during the regular working hours in the presence of Customs employee and the Railroad officer who closed them, they should not be opened or closed before or after that and shall not also be opened at night.

43. The Railroad will maintain all Customs warehouses and relative platforms and will also maintain the scales, cranes and trucks used in offloading and loading of cargo.

44. The Railroad will provide the means of handling and offloading of cargo and will also provide the necessary porters and persons to open boxes for the Customs until the goods are delivered to owners.

Approved 2/6/53 J.S. Rice Lee 2/6/53 M.M. Chappell 2/6/53 S.S. Rowley 2/6/53 E.N. Babb 2/7/53 E.L. Hefron 2/7/53

TRANSLATION

KINGDOM OF SAUDI ARABIA
Ministry of Finance

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2. The Railroad will not allow offloading of any shipments coming by sea except after presentation of the original manifest of subject shipments with (4) copies of Arabic and foreign language version. The Railroad will check copies of manifest with the original copy. Receipt and delivery will be made in the presence of a representative of the Shipping Agency concerned. The Railroad will however allow ships which have local agencies to discharge their shipments before presenting the manifest. The Railroad will receive the shipment and the manifest will be submitted within a period not exceeding 36 hours.

3. The Railroad will send copies of the manifest to Dammam Port Customs. The number of copies will be agreed upon between the Railroad and Customs.

4. The Railroad will notify Customs of the ships arrival dates, and the date when ships, barges and dhows completed offloading, due to its importance in assessing demurrage due on goods, which starts when cargo is loaded onto Railroad cars.

5. According to this new procedure, the Railroad will be considered responsible for offloading of cargo and to issue the necessary receipts to Steamship Companies. The Railroad will also be responsible to have these cargoes under its custody and storage of same at the Customs until they are delivered to owners after completing Customs formalities.

6. When offloading is completed the Railroad should send a copy of the manifest to the Customs on which will be noted the result of receiving or will send a detailed statement showing the following:

(1) Grand total of packages shown on the manifest.
(2) Number of packages short.
(3) Number of packages in excess.
(4) Grand total of packages actually received.
(5) Marks and numbers of packages short.
(6) Marks and number of packages in excess.

Copy of manifest or above statement should be approved by the representative of the Steamship Company concerned and Railroad representative at the Port. As the information requested in items 5 & 6 of the above paragraph might take some time, the Railroad will have to send the information within a week on the most after the ship's departure.

7. The Railroad will observe homogeneous cargo such as cement, flour, lumber, pipes etc., and will load this cargo on separate cars as possible to facilitate its inspection, complete the Customs formalities and to release it promptly.

8. It will be advisable to load Aramco exempted cargo according to its relative marks on separate cars if possible, and not mix it with other cargo in order to promptly inspect and release it according to the practice followed.

9. The Railroad will be responsible to maintain up to date records of all packages delivered to her showing quantity, number and mark of incoming and outgoing cargo, in accordance with supporting documents.

10. The Railroad and its employees will be responsible for packages found to be short from the statement submitted by the Railroad to the Customs referred to in paragraph 6, in accordance with regulations and as will be found from the results of investigation.

11. The Railroad will be responsible for loss and damage to cargo caused by its employees and porters, their negligence or being directly responsible for that loss or damage according to the regulations followed. The Railroad will not be responsible for damage caused by power beyond its control such as fire.

12. The Railroad is responsible for packages delivered to her in good condition which later on are found short and in bad condition. However the Railroad will not be responsible for contents of these packages if their apparent condition is good.

13. Packages received broken or in bad condition will be placed in enclosed space inside the warehouse and marked with their actual weight in the presence of the Steamship Company representative, a Customs representative and Railroad representative. Condition of these packages will be shown on the waybill and will be moved in box cars if possible.

14. Storage of inflamable cargo and explosives shall be made in accordance with regulations presently in force.

15. Unmanifested cargo received will be stored separately for its inspection by the Customs, the Railroad and representative of steamship company agents in order to know its contents.

16. The Railroad will show numbers of the ship's voyages on each package when stored in the Customs Compound. Manifests are generally given serial numbers each of which represents the number of the voyage concerned.

17. The Railroad will assign separate space in warehouses and compounds for the shipment of each vessel separately if possible.

18. The Railroad will immediately notify the Customs of fragile packages or perishables liable to loss and damage if their owners do not immediately appear to collect them. If such packages are not promptly collected, the Railroad will not bear their responsibility and the Customs will have to assign an appraiser to

inspect the shipment and decide whether it should be sold immediately or postpone its sale. Accrued Railroad and Customs charges will be paid from proceeds of sale, while the balance will be kept as a deposit for consignee.

19. The Railroad will assign special places in the warehouses for Customs inspection and weighing of cargo. It would be preferable if such places are enclosed. The Railroad will provide all assistance to Customs employees in performing their duties within the warehouses.

20. Railroad employees should not open any package or case by themselves inside warehouses or Customs Compounds and such cases should not be opened except on inspection in the presence of Customs employees concerned, the Railroad representative and owner of the cargo or his agent.

21. Specimen of goods sent to Customs for evaluation will be shown in special records by the Railroad, and made sure that they are returned to their relative packages or cases.

22. No goods will be moved out of the Customs area before completing Customs formalities and issuance of Customs release. The Railroad will not allow movement of loaded cars beyond the Customs area and Classification Yard before completion of formalities, even though the contents of these cars are exempted from Customs duties.

23. Customs will have the right to make a partial inventory from time to time on cargo stored in warehouses or compounds, and will have the right to make a complete inventory at the end of every year.

24. Every package found in the inventory to be short or in excess of the Railroad and Customs record will be subject to necessary investigation by Customs and Railroad Management and persons responsible will be penalized according to regulations in this concern.

25. Cargo will be stored in warehouses and compounds for one complete year after which will be considered as unclaimed goods. The Customs will subject such goods to regulations covering unclaimed goods. After sale, Customs dues, Railroad charges and other expenses accrued will be collected from the sale price, the balance of sale will be deposited for the owner.

26. In case of emergency danger in the warehouses or other storage areas, the Railroad will take immediate measures to protect the stored goods without obtaining prior permission of the Customs, but will notify the Customs immediately.

27. Customs employees concerned will have the right to pass through warehouses and Customs compounds to inspect the work, attend inspection of cargo and complete the necessary Customs formalities to assure that Customs regulations are fully enforced.

28. Cases of smuggling and pilferage which occur on the platforms en route or in the Customs will be referred to the Customs together with the confiscated goods and persons arrested after investigation is made for necessary action in accordance with regulations.

29. On enforcing the withdrawal of Customs employees from both piers after liquidating their duties, the Coast Guards Department and the Railroad will be responsible for controlling the Port and prbhibited cargoes discharged on piers and other dutiable commodities beside regular cargoes. The Railroad will dispatch to Customs all such commodities together with persons in whose possession such commodities were apprehended, along with an explanatory statement carried by a representative, explaining type, and quantities, to enable Customs take the necessary action. The Railroad shall not allow passengers or commodities in their possession to leave the piers beyond the Customs area outside official working hours.

30. In case of goods destined to Ras Tanura, Mishab, Khobar or other Ports, which are offloaded from vessels into barges or launches for transportation to those places, the Railroad will request steamship companies to make an extract of the manifest and will send a copy of this extract to the Customs with two copies to Customs branches which will receive these barges and launches so that one copy confirming receipt is returned. The barges or launches will not be allowed to leave before securing Dammam Port Customs approval which will be granted upon receipt by Customs of extract of manifest, and the Railroad will check the packages prior to the departure of these barges.

31. No cargo will be exported from the piers before completion of Customs formalities and submission of a manifest approved by the Customs.

32. The Railroad and Customs will cooperate in applying instructions each in his department, for immediate release of shipments and to avoid delay.

33. In case of packages offloaded by mistake when Steamship Companies request their return to original destination, and when the Customs have made sure by reviewing the documents and original manifest, that such packages pertain to other places. The Customs will notify the Railroad to return these packages to the vessel which in turn will arrange their transportation to original destination.

34. The Railroad will mark on shipping documents, import bills and Customs statements before clearance of cargo that the Railroad has the cargo in the warehouses or in storage compounds, and will also mark the date when offloading was completed, its condition, whether it is in bad order and the number of voyage.

35. Operations connected with transit cargo, transhipment and supplying ships with provisions are not allowed except after completion of Customs formalities.

36. Customs will be notified of all cargo renounced by owners in writing, also of partial things and sweepings found in warehouses or storage areas or on the piers which are of unknown origin to be dealt with as unclaimed goods.

37. The Railroad will be responsible for the goods from the time they are offloaded from vessel or other means of transportation and loaded on Railroad cars. These goods will remain under Railroad custody and protection until they leave the Customs and are delivered to owners after completion of the necessary Customs formalities.

38. After approval of H.E. the Minister of Finance on these instructions, the Railroad and the Customs will agree upon the method with which all cargo presently stored in the Customs warehouses and compounds will be delivered and taken over by the Railroad. This cargo will be moved from the custody of Customs and entrusted to the Railroad after signature on delivery report of such cargo, as indicated by statements extracted by the Customs from their records and physically checked with cargo available in the warehouses and compounds during the operation of delivery and taking over.

39. Customs inspection on cargoes and persons is the duty of Customs employees. Customs employees stationed on the Customs gates will check released cargoes against what is shown on Customs release, and carry out any inspection as might be required. The Customs shall designate sufficient employees to inspect Company's homogeneous non-dutiable cargoes which the Customs think can be released during the day hours without taking it into the Customs Compound. If the Railroad wanted to continue working at night to release homogeneous cargoes referred to above, they will so notify the Customs to arrange for the placement of employees required for inspection and release. The Railroad should place such card on the main track adjacent to the station where there is sufficient lighting to save the employees the risk of walking between Railroad tracks at night.

40. Railroad and Customs employees or their delegates are requested to respect all regulations, orders and instructions pertaining to Customs and Railroad, and every dispute arising between the Customs and the Railroad in applying these instructions will be referred to the Ministry of Finance to decide on what should be followed.

41. The Railroad will erect fencing around the track from the shoreline to the Customs, and provide it with lighting at night as possible, to properly secure cargo. It will also provide telephone communications between the Railroad and the Customs to immediately settle matters connected with the Customs.

42. After the regular working hours the Customs warehouses will be closed with two padlocks, the Customs officer will keep a key of one padlock and the key of the other will be kept by the Railroad officer. Warehouses will be opened during the regular working hours in the presence of Customs employee and the Railroad officer who closed them, they should not be opened or closed before or after that and shall not also be opened at night.

43. The Railroad will maintain all Customs warehouses and relative platforms and will also maintain the scales, cranes and trucks used in offloading and loading of cargo.

44. The Railroad will provide the means of handling and offloading of cargo and will also provide the necessary porters and persons to open boxes for the Customs until the goods are delivered to owners.

TRANSLATION

DAMMAM PORT

A meeting was held at Railroad Headquarters on Tuesday 4/5/72, January 20, 1952, between representatives of the Ministry of Finance and representatives of the Saudi Government Railroad in Dammam to discuss the coordination of Dammam Port activities and the simplification of the official routine necessary at Dammam Port in general, and stevedoring and the loading of railroad cars in particular.

The various administrative phases of the work were discussed and the following decisions were made:

1. PORT CUSTOMS ACTIVITIES:

a- As of the date of this resolution, all Customs officers working presently at both piers will be withdrawn excepting two of them. One will stay at the Main Pier and the other at the Small Craft Pier, for a period sufficient to liquidate all customs activities on both piers.

b- Customs employees withdrawn from the Port will work for the Dammam Port Customs and working hours in Dammam Port Customs will continue for 12 hours daily for two shifts, one is eight hours and the other is four hours.

8-6 hours holidays + Fridays

c- The Railroad will take over all cargo offloaded from ships or barges at Dammam Port area. This cargo will stay in and under the custody and jurisdiction of the Railroad until such time as such cargo is turned over to consignees duly and properly released by Customs authorities.

d- The Railroad shall erect a tight fence around Customs Warehouses and adjacent customs compounds. The warehouses and compounds area falling within such fence will be together with any incoming or outgoing cargo under the jurisdiction and custody of the Railroad. A ruling covering this procedure will be set up by representatives of the Directorate General of Customs, Director of El-Hassa Customs, and representatives from the Saudi Government Railroad.

2. RELATIONS BETWEEN RAILROAD MANAGEMENT AND COAST GUARD AUTHORITIES:

Inasmuch as the Railroad states that some of its barges and tugs are being delayed from going to Ras Tanura and Khobar after being loaded with cargo discharged from vessels, and that such delay had slowed down the offloading of ships and subsequently brought complaints from Shipping Companies due to the delay in offloading their ships at Dammam Port; the Committee decided that the Railroad shall furnish the Coast Guard Department, at the beginning of each month, with a statement showing the names or numbers of barges, tugs, or launches working for her and owned by her, so that the Coast Guard Department will permit such equipment to travel to Ras Tanura, Khobar or any other Saudi Port without any objection and without obtaining travel clearance for such equipment. As for the fees

COAST GUARD: Contd.

collected by the Coast Guard Department on these barges, tugs, and launches owned by the Railroad; and inasmuch as this equipment is owned by a Government Department, the Committee sees no reason for collecting such fees, and consider such equipment similar to that owned by the Coast Guard Department.

3. The Railroad has also referred to the subject of controlling smuggling from launches and tugs in or around Dammam Port area, and advised that such control is ineffecient. The Railroad requested and the Committee supported her that such control should be tightened. The Committee agreed to notify the Coast Guard Department of this and insist on better control on such launches and barges to eliminate any smuggling, inasmuch as the Coast Guard are responsible for all these things while on water. RR be permitted

4. The Railroad stated that they are experiencing numerous difficulties from Quarantine procedure at Dammam Port, also, from Immigration Officer stationed at the Main Pier. They advised that such difficulties are badly effecting the reputation of Dammam Port. The simplification of such procedure would lead to better operation and will eliminate complaints from Shipping Companies. For example: If somebody was found sick abpard ship, he is not allowed to go Dammam for treatment until after prolonged commuhication that takes two to three days.

In view of the fact that there has been a communication between the Ministry of Finance and the Ministry of Health, wherein the Ministry of Finance had requested that the Railroad Medical Officer be authorized to grant Quarantine Pratique at Dammam Port, and remit all revenues therefrom to El Hassa Provinee Finance Department, as is the case now; it is now requested that in the case where a ship's employee request landing permit for treatment, and when the Railroad's Medical Officer believes that his condition is such that it requires immediate treatment, he should be allowed to give him such permission as shown on attached form, and Immigration Officer stationed at the Main Pier should allow such patient in possession of such form to leave his ship to the mainland and return to his vessel. This recommended procedure will simplify all Quarantine matters and is a service rendered to ships that will eliminate any complaints in this respect. The Committee insists on putting this procedure into effect.

TRANSLATION

KINGDOM OF SAUDI ARABIA
Ministry of Finance

Upon studying the decision made regarding the taking over of handling, offloading, storage and custody of cargo at the new Dammam Port by the Railroad, the Committee after reviewing the circumstances and inspecting the Pier, the Customs warehouses and Compounds recommends that the following be adopted:

1. The Railroad will observe the priority of ships arriving to territorial waters of Dammam Port and will offload them according to their time of arrival. Consistent with

2. The Railroad will not allow offloading of any shipments coming by sea except after presentation of the original manifest of subject shipments with copies of Arabic version. The Railroad will check copies of manifest with the original copy. Receipt and delivery will be made in the presence of a representative of the shipping agency concerned. The Railroad will however allow ships which have local agencies to discharge their shipments before presenting the manifest. The Railroad will receive the shipment and the manifest will be submitted within a period not exceeding 36 hours.

3. The Railroad will send copies of the manifest to Dammam Port Customs. The number of copies will be agreed upon between the Railroad and Customs.

4. The Railroad will notify Customs of the ships arrival dates, and the date when ships completed offloading, due to its importance in assessing demurrage due on goods.

5. According to this new procedure, the Railroad will be considered responsible for offloading of cargo and to issue the necessary receipts for steamship companies. The Railroad will also be responsible to have these cargoes under its custody and storage of same at the Customs until they are delivered to owners after completing Customs formalities.

6. When offloading is completed the Railroad should send a copy of the manifest to the Customs on which will be noted the result of receiving or will send a detailed statement showing the following:

(1) Grand total of packages shown on the manifest.
(2) Number of packages short.
(3) Number of packages in excess.
(4) Grand total of packages actually received.
(5) Marks and numbers of packages short.
(6) Marks and number of packages in excess.

Copy of manifest or above statement should be approved by the representative of the Steamship Company concerned and Railroad representative at the Port. As the information requested in items 5 & 6 of the above paragraph might take some time, the Railroad will have to send the information within a week on the most after the ship's departure.

7. The Railroad will observe homogeneous cargo such as cement, flour, lumber, pipes etc., and will load this cargo on seperate cars as possible to facilitate its inspection, complete the Customs formalities and to release it promptly.

8. It will be advisable to load Aramco exempted cargo according to its relative marks on seperate cars if possible, and not mix it with other cargo in order to promptly inspect and release it according to the practice followed.

9. The Railroad will be responsible to maintain up to date records of all packages delivered to her showing quantity, number and mark of incoming and outgoing cargo, in accordance with supporing documents.

10. The Railroad and its employees will be responsible for packages found to be short from the statement submitted by the Railroad to the Customs referred to in paragraph 6, in accordance with regulations and as will be found from the results of investigation.

11. The Railroad will be responsible for loss and damage to cargo caused by its employees and porters, their negligence or being directly responsible for that loss or damage according to the regulations followed. The Railroad will not be responsible for damage daused by power beyond its control such as fire.

12. The Railroad is responsible for packages delivered to her in good condition which later on are found short and in bad condition. However the Railroad will not be responsible for contents of these packages if their apparent condition is good.

13. Packages received broken or in bad condition will be placed in enclosed space inside the warehouse and marked with their actual weight, in the presence of the steamship company representative and a Custom representative. Condition of these packages will be shown on the waybill and will be moved in box cars if possible.

14. Inflamable cargo and explosives should not be offloaded on normal cargo but should be placed on boats or seperate barges and offloaded in area assigned for this purpose.

15. Unmanifested cargo received will be stored seperately for its inspection by the Customs, the Railroad and Steamship Company representatives in order to know its contents.

16. The Railroad will show numbers of the ship's trips on each [redacted] when received. Manifests are generally given serial numbers each of which represent the number of the trip concerned.

17. The Railroad will assign seperate space in warehouses and compounds for the shipment of each vessel.

18. The Railroad will immediately notify the Customs of Fragile packages or perishables if their owners do not immediately appear to collect them. If such packages are not promptly collected the Railroad will not bear their responsibility and the Customs

will have to assigne an appraiser to inspect the shipment and decide whether it should be sold immediately or postpone its sale.

19. The Railroad will assign special places in the warehouses for Customs inspection and weighning of cargo. It would be preferable if such places are enclosed. The Railroad will provide all facilities to Customs employees in performing their duties. within the warehouse

20. Railroad employees sho ld not open any package or case by themselves inside warehouse or Customs Compounds and such cases should not be opened except on inspection in the presence of Customs employees concerned, the Railroad representative ~~and owner of the cargo or his agent.~~

21. Specimen+ of goods sent to Customs for evaluation will be shown in special records by the Railroad, and made sure that they are returned to their relative packages or cases.

22. No goods will be released by Customs before completing Customs formalities and issuance of Customs release. The Railroad will not allow movement of loaded cars ~~[illegible]~~ Customs outside the Customs compound before completion of formalities, even though the contents of these cars are exempted from Customs Duties.

23. Customs will have the right to make a partial inventory from time to time on cargo stored in warehouses or compounds, and will have the right to make a complete inventory at the end of every year.

24. Every package found in the inventory to be short or in excess of the Railroad and Customs records will be subject to necessary investigation and persons responsible will be penalized according to regulations in this concern.

25. Cargo will be stored in warehouses and compounds for one complete year after which will be considered as unclaimed goods and will be subject to Customs regulati ns regarding unclaimed goods.

26. In case of emergency danger in the warehouses or other storage areas, the Railroad will take immediate measures to protect the stored goods without obtaining prior permission of the Customs, but will notify the Customs immediately.

27. Customs employees concerned will have the right to pass through warehouses and Customs compounds to do customs work, attend inspection of cargo and complete the necessary Customs formalities to assure that Customs regulations are fully enfo ced.

28. Cases of smu gling and pilferage which occur on the platforms, en route or in the Customs will be referred to the Customs together with the goods and persons arrested after investigation is made for necessa y action in accordance with regulations.

29. One or more Customs employee will be assigned to each pier to observe persons leaving vessels who have in their possession materials subject to Customs dues. Such material will be shown on

a statement to be submitted to Customs for completion of necessary formalities. They will also prevent landing of prohibited goods.

30. In case of goods destined to Ras Tanura, Mishab, Khobar or other ports, which are offloaded from vessels into barges or launches for transportation to those places, the Railroad will request steamship companies to make an extract of the manifest and will send a copy of this extract to the Customs with two copies to Customs branches which will receive these barges and launches so that one copy confirming receipt is returned. The barges or launches will not be allowed to leave before securing Dammam Port Customs approval, and the Railroad will check the packages before departure of these barges.

31. No cargo wil be exported from the piers before completion of customs formalities and submission of a manifest approved by the Customs.

32. The Railroad and Customs will cooperate in applying instructions each in his department, for immediate release of shipments and to avoid delay.

33. In case of packages offloaded by mistake when steamship companies request their return to original destination, and when the Customs have made sure by reviewing the documents and original manifest, that such packages pertain to other places. The Customs will notify the Railroad to return these packages to the vessel which in turn will arrange their transportation ~~at~~ to original destination.

34. The Railroad will mark on shipping documents, import bills and Customs statements before clearance of cargo that the Railroad has the cargo in the warehouses or in storage compounds, and will also mark the date when offloading was completed, its condition, whether it is in bad order and the number of trip.

35. Operations connected with transit cargo, transhipment and supplying ships with provisions are not allowed except after completion of Customs formalities.

36. Customs wil be notified of all cargo recounced by owners in writing, also of partial things and sweepings found in warehouses or storage areas or on the piers which are of unknown origin to be dealt with as unlaimed goods.

37. The Railroad will be responsible for the goods from the time they are offloaded from vessel or other means of transportation and loaded on Railroad cars. These goods will remain under Railroad custody and protection until they leave the Customs and are delivered to owners after completion of the necessary Customs formalities.

38. After approval of H.E. the Minister of Finance on these instructions, the Railroad and the Customs will agree upon the method with which all cargo presently stored in the Customs warehouses and compounds will be delivered and taken over by the Railroad. This cargo will be moved from the custody of Customs

and entrusted to the Railroad after signature on delivery report of such cargo, as indicated by statements extracted by the Customs from their records and physically checked with cargo available in the warehouses and compounds during the operation of delivery and taking over.

39. Customs inspection on goods and persons will be performed by Customs employees only. Customs employees and watchmen at the outside gate will inspect those who are suspected to have goods when leaving the Customs and will also inspect the means of transportation.

40. Railroad employees and representatives are requested to observe all regulations, orders and instructions pertaining to Customs and every dispute arising between the Customs and the Railroad in applying these instructions will be referred to the Ministry of Finance to decide what should be followed.

41. The Railroad will erect fencing around the track from the shoreline to the Customs, and provide it with lighting in the night as possible, to properly secure cargo. It will also provide telephone communications between the Railroad and the customs on the pier, and its other offices to immediatly settle matters connected with the customs.

42. After the regular working hours the customs warehouses will be closed with two padlocks, the customs officer will keep a key of one padlock and the key of the other will be kept by the Railroad employees. Warehouses will be opened during the regular working hours in the presence of Customs employee and the Railroad employee who closed them, they should not be opened or closed before or after that and shall not also be opened at night.

43. The Railroad will maintain all [redacted] warehouses and relative platforms and will also maintain the scales, cranes and trucks used in offloading and loading of cargo.

44. The Railroad will provide the means of handling and off-loading of cargo and will also provide the necessary porters and persons to open boxes for the Customs until the goods are delivered to owners.

TRANSLATION

KINGDOM OF SAUDI ARABIA
Ministry of Finance

Upon studying the decision made regarding the taking over of handling, offloading, storage and custody of cargo at the new Dammam Port by the Railroad, the Committee after reviewing the circumstances and inspecting the Pier, the Customs warehouses and Compounds recommends that the following be adopted:

1. The discharge of ships will be in accordance with the Port Regulation.

2. The Railroad will not allow offloading of any shipments coming by sea except after presentation of the original manifest of subject shipments with (4) copies of Arabic version and 4 English by ship's agent. The Railroad will check copies of manifest with the original copy. Receipt and delivery will be made in the presence of a representative of the shipping agency concerned. The Railroad will however allow ships which have local agencies to discharge their shipments before presenting the manifest. The Railroad will receive the shipment and the manifest will be submitted within a period not exceeding 36 hours.

3. The Railroad will send copies of the manifest to Dammam Port Customs. The number of copies will be agreed upon between the Railroad and Customs.

4. The Railroad will notify Customs of the ships arrival dates, and the date when ships barges and dows completed offloading, due to its importance in assessing demurrage due on goods, which starts when cargo is loaded onto railroad cars.

5. According to this new procedure, the Railroad will be considered responsible for offloading of cargo and to issue the necessary receipts to for steamship companies. The Railroad will also be responsible to have these cargoes under its custody and storage of same at the Customs until they are delivered to owners after completing Customs formalities.

6. When offloading is completed the Railroad should send a copy of the manifest to the Customs on which will be noted the result of receiving or will send a detailed statement showing the following:

(1) Grand total of packages shown on the manifest.
(2) Number of packages short.
(3) Number of packages in excess.
(4) Grand total of packages actually received.
(5) Marks and numbers of packages short.
(6) Marks and number of packages in excess.

Copy of manifest or above statement should be approved by the representative of the steamship company concerned and Railroad representative at the Port. As the information requested in items 5 & 6 of the above paragraph might take some time, the Railroad will have to send the information within a week on the most after the ship's DEPARTURE.

7. The Railroad will observe homogeneous cargo such as cement, flour, lumber, pipes etc., and will load this cargo on seperate cars as possible to facilitate its inspection, complete the Customs formalities and to release it promptly.

8. It will be advisable to load Aramco exempted cargo according to its relative marks on seperate cars if possible, and not mix it with other cargo in order to promptly inspect and release it according to the practice followed.

9. The Railroad will be responsible to maintain up to date records of all packages delivered to her showing quantity, number and mark of incoming and outgoing cargo, in accordance with supporting documents.

10. The Railroad and its employees will be responsible for packages found to be short from the statement submitted by the Railroad to the Customs referred to in paragraph 6, in accordance with regulations and as will be found from the results of investigation.

11. The Railroad will be responsible for loss and damage to cargo caused by its employees and porters, their negligence or being directly responsible for that loss or damage according to the regulations followed. The Railroad will not be responsible for damage caused by power beyond its control such as fire.

12. The Railroad is responsible for packages delivered to her in good condition which later on are found short and in bad condition. However the Railroad will not be responsible for contents of these packages if their apparent condition is good.

13. Packages received broken or in bad condition will be placed in enclosed space inside the warehouse and marked with their actual weight in the presence of the steamship company representative, a Customs representative and Railroad representative. Condition of these packages will be shown on the waybill and will be moved in box cars if possible.

14. Storage of inflamable cargo and explosives shall be made in accordance with regulations presently in force.

15. Unmanifested cargo received will be stored seperately for its inspection by the Customs, the Railroad and representative of steamship company agents in order to know its contents.

16. The Railroad will show numbers of the ship's voyages on each packages when received. Manifests are generally given serial numbers each of which represent the numbe of the voyage concerned.

stored in the customs compound.

17. The Railroad will assign seperate space in warehouses and compounds for the shipment of each vessel seperately if possible.

18. The Railroad will immediately notify the Customs of fragile packages or perishables liable to loss and damage if their owners do not immediately appear to collect them. If such packages are not promptly collected, the Railroad will not bear their responsibility and the Customs will have to assign an appraiser to

accrued RR + customs charges will be paid from proceeds of sale,

inspect the shipment and decide whether it should be sold immediately or postpone its sale. Charges to expenses due shall be collected by the Customs and Railroad, while the balance will be kept as a deposit for consignee.

19. The Railroad will assign special places in the warehouses for Customs inspection and weighing of cargo. It would be preferable if such places are enclosed. The Railroad will provide all assistance to Customs employees in performing their duties within the warehouses.

20. Railroad employees should not open any package or case by themselves inside warehouses or Customs Compounds and such cases should not be opened except on inspection in the presence of Customs employees concerned, the Railroad representative and owner of the cargo or his agent.

21. Specimen of goods sent to Customs for evaluation will be shown in special records by the Railroad, and mad sure that they are returned to their relative packages or cases.

22. No goods will be moved out of the Customs area before completing Customs formalities and issuance of Customs release. The Railroad will not allow movement of loaded cars from the pier or Customs beyond the Customs area and the class yard before completion of formalities, even though the contents of these cars are exempted from Customs duties.

23. Customs will have the right to make a partial inventory from time to time on cargo stored in warehouses or compounds, and will have the right to make a complete inventory at the end of every year.

24. Every package found in the inventory to be short or in excess of the Railroad and Customs records will be subject to necessary investigation by Customs and Railroad Managements and persons responsible will be penalized according to regulations in this concern.

25. Cargo will be stored in warehouses and compounds for one complete year after which will be considered as unclaimed goods and will be subject to Customs regulations regarding unclaimed goods. When it is sold, customs dues and RR charges and any other expenses due will be collected and the balance will be deposited for the owner.

26. In case of emergency danger in the warehouses or other storage areas, the Railroad will take immediate measures to protect the stored goods without obtaining prior permission of the Customs, but will notify the Customs immediately.

27. Customs employees concerned will have the right to pass through warehouses and Customs compounds to inspect the work, attend inspection of cargo and complete the necessary Customs formalities to assure that Customs regulations are fully enforced.

28. Cases of smuggling and pilferage which occur on the platforms en rout or in the Customs will be referred to the Customs together with the confiscated goods and persons arrested after investigation is made for necessary action in accordance with regulations.

29. On enforcing the withdrawal of Customs employees from both piers after liquidating their duties, the Coast Guard Department and the Railroad will be responsible for controlling the Port and prohibited cargoes discharged on piers and other dutiable commodities beside regular cargoes. The Railroad will dispatch to Customs all such commodities together with persons in whose possession such commodites were apprehanded, along with an explanatory statement carried by a representative, explaining type, and quantities, to enable Customs take the necessary action. The Railroad shall not allow passengers or commodities in their possession to leave the piers beyond the Customs area outside official working hours.

30. In case of goods destined to Ras Tanura, Mishab, Khobar or other ports, which are offloaded from vessels into barges or launches for transportation to those places, the Railroad will request steamship companies to make an extract of the manifest and will send a copy of this extract to the Customs with two copies to Customs branches which will receive these barges and lauenchess so that one copy confirming receipt is returned. The barges or launches will not be allowed to leave before securing Dammam Port Customs approval, and the Railroad will check the packages prior to the departure of these barges, which will be granted by customs upon receipt of extract of manifest.

31. No cargo will be exported from the piers before completion of Customs formalities and submission of a manifest approved by the Customs.

32. The Railroad and Customs will cooperate in applying instructions each in his department, for immediate release of shipments and to avoid delay.

33. In case of packages offloaded by mistake when steamship companies request their return to original destination, and when the Customs have made sure by reviewing the documents and original manifest, that such packages pertain to other places. The Customs will notify the Railroad to return these packages to the vessel which in turn will arrange their transportation to original destination.

34. The Railroad will mark on shipping documents, import bills and Customs statements before clearance of cargo that the Railroad has the cargo in the warehouses or in storage compounds, and will also mark the date when offloading was completed, its condition, whether it is in bad order and the number of voyage.

35. Operations connected with transit cargo, transhipment and supplying ships with provisions are not allowed except after completion of Customs formalities.

36. Customs will be notified of all cargo renounced by owners in writing, also of partial things and sweepings found in warehouses or storage areas or on the piers which are of unknown origin to be dealt with as unclaimed goods.

37. The Railroad will be responsible for the goods from the time they are offloaded from vessel or other means of transportation and loaded on Railroad cars. These goods will remain under

Railroad custody and protection until they leave the Customs and are delivered to owners after completion of the necessary Customs formalities.

38. After approval of H.E. the Minister of Finance on these instructions, the Railroad and the Customs will agree upon the method with which all cargo presently stored in the Customs warehouses and compounds will be delivered and taken over by the Railroad. This cargo will be moved from the Custody of Customs and entrusted to the Railroad after signature on delivery report of such cargo, as indicated by statements extracted by the Customs from their records and physically checked with cargo available in the warehouses and compounds during the operation of delivery and taking over.

39. Customs inspection on cargoes and persons is the duty of Customs employees. Customs employees stationed on the Customs gates will check released cargoes against what is shown on Customs release, and carry out any inspection as might be required. The Customs shall designate sufficient employees to inspect Company's homogeneous non-dutiable cargoes which the Customs think can be released during the day hours without taking it into the Customs Compound. If the Railroad wanted to continue working at night to release homogeneous cargoes referred to above, they will so notify the Customs to arrange for the placement of employees required for inspection and release.

40. Railroad and Customs employees or their delegates are requested to respect all regulations, orders and instructions pertaining to Customs and Railroad and every dispute arising between the Customs and the Railroad in applying these instructions will be referred to the Ministry of Finance to decide on what should be followed.

41. The Railroad will erect fencing around the track from the shoreline to the Customs, and provide it with lighting in the night as possible, to properly secure cargo. It will also provide telephone communications between the Railroad and the Customs, and its other offices, to immediately settle matters connected with the Customs.

42. After the regular working hours the Customs warehouses will be closed with two padlocks, the Customs officer will keep a key of one padlock and the key of the other will be kept by the Railroad officer. Warehouses will be opened during the regular working hours in the presence of Customs employee and the Railroad officer who closed them, they should not be opened or closed before or after that and shall not also be opened at night.

43. The Railroad will maintain all Customs warehouses and relative platforms and will also maintain the scales, cranes and trucks used in offloading and loading of cargo.

44. The Railroad will provide the means of handling and offloading of cargo and will also provide the necessary porters and persons to open boxes for the Customs until the goods are delivered to owners.

Recommended Instructions for Dammam Customs
Al Hasa Directorate

1. Customs Area. The Customs area at Dammam Port shall include the causeway and piers and the area adjacent thereto extending from the shore line to the Customs Yard, including the trackage and classification yard.

2. Working Schedule for Customs Operations on the Pier. During the initial period of operation and until such time as the Railroad may obtain additional adequate cars, locomotives, and rail sedans, the Customs supervision shall be conducted in two shifts. The first shift shall start at or about 5 a.m. and end at or about 5 p.m., the second shall start at or about 5 p.m. and end at or about 5 a.m. Later, upon agreement with the Customs Director, Coast Guard and Railroad, it is anticipated that three eight-hour shifts may be worked.

Working Schedule in the Principal Customs Offices Located on the Mainland. Dutiable goods, whether imported by merchants or in the name of companies, shall have the Customs formalities applied on them during daytime between 8 o'clock in the morning and 4 p.m.

3. Transportation of Employees. The Railroad shall provide transportation to the Customs employees of the Dammam Port from Dammam Town to the Customs Offices and to the two piers, and the return of Customs employees to Dammam Town after working shift.

3. Transportation of Employees (Cont'd.)

The Customs employees shall be allowed to use the passenger trains for their internal movements within the Customs area, but they shall have no right to ask for special trains to be assigned for such movements.

4. Presentation of the Manifests. The ships' agents, on behalf of the ships' companies, shall present the ships' manifests to the Customs Department in the following manner:

a) The original manifest and two copies thereof in Arabic.

b) An extract of the original manifests listing goods in transit.

c) An extract of the original manifests listing inherently dangerous material.

d) Suitable form shall be prepared in triplicate by the ships' agents covering goods discharged onto barges for shipment to Ras Tanura, Ras al Mish'ab, Al Khobar, or other ports within the Kingdom, one copy to be kept by the Pier Officer at Dammam, and two copies, after stamping and signing by the Pier Officer, to be forwarded to the Customs Officer at destination for checking, of which one copy shall be returned endorsed with result of checking.

4. Presentation of the Manifests. (Cont'd.)

Aramco shall present the following:

a) An extract of the original manifests listing Aramco dutiable material.

b) An extract of the original manifests listing Aramco exempted material.

Other goods, whether for the Government or merchants, shall either remain in the cars or be stored until the Customs formalities are completed. However, cars loaded with such material may be moved from the pier to the classification yard.

5. Unloading of Ships. Ships shall be allowed to discharge their cargo directly onto Railroad cars under the Customs supervision, after submission of the manifest referred to in the preceding article.

The Customs authorities may allow the ships to discharge their cargo before the presentation of the manifest, provided the ship's agent guarantees to produce the manifest before the Railroad cars are moved from the Customs area and within an ample time to allow for the necessary inspection to be made by the Customs.

6. Delivery Receipt. Unloading of ships shall be carried out under the supervision of the Customs in the presence of a representative of the ships' agents and a Railroad representative. The latter shall prepared a talley slip showing the load of each car, and the car's number. A copy of this talley slip shall be given to the representative of the ship's agent as a receipt from

6. Delivery Receipt. (Cont'd.)

the Railroad against delivery. Two copies of the talley slip shall be delivered to the Customs Officer at the pier who will inspect the car. He will make appropriate notations in his records and endorse one copy of the talley slip indicating the completion of inspection and hand it over to the train conductor in order that it may be delivered to the Customs Officer at the yard.

The Customs representative on the pier shall note the number of parcels on the reverse side of the manifest or extract and deduct these from the original quantity. When the described material has been completely discharged, the extract or manifest shall be sent to the Customs Office for final checking with the talley slips previously sent. The ships' agents shall appoint one of its clerks to cooperate with the Railroad on delivery of cargo to the Customs and verification against the manifest.

7. Shortage. In case of shortage occurring in the shipment at the time of unloading from the ship to the Railroad, the ships' agents shall be responsible for such shortage.

Shortage which may occur in the goods after they have been loaded on the Railroad cars and until their arrival at the Customs Yard shall be the responsibility of the Railroad.

8. Excess. Goods not listed on the manifest or goods received in an amount in excess of that shown on the manifest shall be considered as unmanifested and these goods shall be delivered to the Customs authorities for the application of the Customs regulations.

9. Damaged Goods. Parcels which appear, during unloading, to be damaged should be referred to by a remark on the talley slip which should be signed by a representative of the shipping company. The ships' agents shall also make necessary arrangements to repair the damage and maintain the contents of the packages until they are delivered to the Customs by the Railroad representative accompanied by a statement showing the weight or count.

10. Loading. No goods shall be loaded onto the ships unless the Customs formalities have been completed and a clearance for the export has been given. The Customs Officer at the pier shall verify the exported goods with the clearance given therefor. In order not to delay the ships at the pier, a hold may be loaded after it has been discharged and there shall be no objection to conducting the loading and off-loading operations simultaneously on that basis, provided the loading of cargo shall in no case delay or impede the off-loading of cargo. Goods may be loaded into a hold containing goods destined for another port upon the approval of the Customs Officer. If it is required to handle a loading operation in other than the working hours, the Customs should be so notified in writing.

11. Warehouses. Warehouses may be constructed within the Customs area for goods not yet cleared from the Customs, under the terms and conditions to be specified by the Minister of Finance. Applications for such warehouses should be made to the Director of Customs, who shall consider them together with the proposed plans with the Railroad authorities and then make his suggestions to the Ministry.

11. Warehouses. (Cont'd.)

It is understood that any land presently reserved for the exclusive use of the Aramco enterprise, which is adjacent to the present Customs facilities and within a radius of five kilometers from the base of the causeway and which may be required by the Government for the expansion of the Dammam Port, Customs, and Railroad facilities, will be made available to the Government as such requirements develop, provided it does not interfere with then existing Aramco facilities or installations. If more land is required in the future, this will be the subject of negotiation between the Government and the Company.

12. Customs Procedures. As a general rule, Customs declarations should be submitted, together with the delivery order, on all imported goods whether dutiable or non-dutiable. The declaration should show the number of parcels, mark, number, kind of goods, weight and value. The original and one copy of the invoices thereof should also be attached. If a copy of the invoices is not furnished, the original invoices shall be detained with the Customs declarations at the Customs Office.

Owing to the large volume of Aramco non-dutiable goods, the following exception is made to the general rule stated above: Aramco shall submit only those particular invoices specifically requested by the Customs Director. It is understood that the Customs Director shall have the right, however, to examine all invoices covering Aramco shipments.

13. Procedures Regarding Exempted Material. These materials come under two categories:

a) Materials exempted from Customs duty and all additional taxes.

b) Materials exempted from Customs duty, but not exempted from additional taxes.

In the case of materials mentioned in category a), the consignee or his agent shall produce to the Dammam Port Customs the Customs declaration and all other documents, including the delivery order in order to obtain Customs clearance. These papers will then be delivered to the Customs Officer at the Pier. The Pier Customs Officer shall check the goods as they are loaded onto the Railroad cars and he will make a record on the reverse side of the clearance. If the entire shipment has been loaded onto the Railroad cars, he will attach the clearance to the talley slip and give it to the train conductor who will deliver it to the Customs Officer on the arrival of the train at the Yard. The Customs Officer will stamp the clearance and talley slip with the exemption stamp. If the material loaded onto the cars does not represent the entire shipment, the Customs Officer will keep with him the clearance and stamp only the talley slip. This slip will be given to the conductor for delivery to the Customs Office. The clearance will not be attached to the talley slip until the entire shipment described in the clearance has been moved to the Yard.

Materials which under the regulations are included in category b) shall be subject to the treatment described under

13. Procedures Regarding Exempted Material. (Cont'd.)

category a). However, if the original bill is not presented or if the Customs are not satisfied with the documents presented, they may, at their discretion, have such goods brought to the Customs Yard for completion of the necessary Customs formalities.

14. Dutiable Materials. Dutiable materials should upon being loaded onto cars be sent to the Customs Yard. The goods will remain on the cars for a period not exceeding six hours after arrival at the Customs Yard, during which period the owners or their representatives will be given an opportunity to appear and complete Customs formalities. During this period only those parcels that need inspection and verification of weight will be moved to the inspection platform. In case of other materials packed in bags or cases, only the number required for examination shall be moved to the inspection yard for completion of the Customs formalities.

If the owners, or their representatives, fail to complete the Customs formalities within the period of six hours above referred to, the goods shall be moved to the Customs warehouse and the Railroad cars released.

If the goods belong to Aramco and the Company wishes to store all of the goods in its own warehouses within the Customs Yard, the Company shall be permitted to do so, provided its warehouses are locked with two locks and the keys to one lock shall be kept at the Customs, and provided the stored materials therein be subject to Customs control. Until such warehouses are built according to conditions and specifications approved by the Ministry

14. Dutiable Materials. (Cont'd.)

of Finance, the Company's goods shall be subject to the same procedure applied to commercial dutiable goods. It is understood that Aramco employees will be permitted to work during regular working hours inside the Aramco warehouses.

15. Porters. The Railroad shall appoint from ten to twenty porters as shall be required for handling the internal work, such as stacking the goods inside the warehouse, moving goods to the inspection yard, opening packages, and returning goods to the stores. The Railroad shall pay their wages.

The Customs Director shall inform the Railroad if any porter absents himself or leaves the work without permission. The Customs shall have the right to levy punishment on these porters and so notify the Railroad.

In addition, the Railroad shall arrange to provide the necessary number of porters for unloading Railroad cars in the Customs Yard, moving the goods to stores and reloading the cars after completion of the Customs formalities.

Porters and Railroad employees within the Customs Yard are subject to the instructions to be issued by the Customs Director of Dammam Port, in the interest of the work.

16. Porterage Fees. Porterage fees shall be collected in the manner and rate to be fixed by the Railroad and approved by the Ministry of Finance.

16. Porterage Fees. (Cont'd.)

Such equipment required for the transportation and protection of material in the opinion of the Railroad and Customs shall be supplied by the Railroad to the Customs. It is anticipated that forklifts, hand trucks, tarpaulins, etc., may be required. The Railroad will indicate on the reverse side of the delivery order the porterage fees to be collected. The Customs will collect such fees for the account of the Railroad.

17. Wharfage Fee. A wharfage fee shall be collected by the Railroad in a manner and at a rate to be fixed by the Railroad and approved by the Ministry of Finance.

18. Overtime. As the regular working shift is an eight hour shift and in view of the fact that the nature of the work at the Customs Offices of Dammam Port requires employees during the day and night, and some employees will be required to continue working for 12 hours each shift, therefore, such employees must be compensated for the four hours excess time. In order not to burden the State's Treasury with the compensation to these employees for jobs they are handling for the interest of individuals and companies, the overtime pay shall be collected from all individuals, companies, and ships' agents who require the Customs to do work for them in times other than the regular working hours. A schedule of overtime rates shall be developed by the Customs Department and shall become effective after approval by the Ministry of Finance.

19. Car Movements. The Trains shall not leave the Customs area until the Customs formalities have been completed and permission has been granted to proceed.

20. Guards. The Al Hasa Customs Directorate shall provide the necessary guards for the Customs area.

21. Lighting and Ventilation. The Customs facilities, including the two piers and the Customs offices thereon, shall be provided with sufficient ventilation and sufficient lighting during the night.

22. Telephones. All Customs facilities shall be provided with the necessary telephone communications required in the interest of the work, including the residence of the Director General, the Director, and other Customs Superintendents, as may be required.

It is understood that these regulations shall not become effective until after the approval of the Ministry of Finance.

The above recommendations for a tentative operating procedure were developed by the Customs Mission and the Director of Al Hasa Customs, and have been discussed with the Coast Guard expert, and representatives of the Railroad and Aramco, and have the unanimous approval of this Committee.

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S. E. ALLEN	D. S. DODGE

COPY

This is an Agreement to operate the new Jedda Port written in Jedda on Sunday the 27th Rajab, 1369 between the Saudi Arabian Government represented legally in this Agreement by His Excellency Sk. Abdullah Suleiman Hamdan, Minister of Finance called hereafter the "Government" as first party

AND

Haji Abdullah Alireza & Company, Saudi Arabian Company established 1281 represented in this agreement by Mr. Mohammed Abdullah Alireza, Executive Vice-President, according to the legal document No.284 dated 3-3-1352, called hereafter the Company, as second party.

Agreement and acceptance has been achieved between the two above mentioned parties on the following:-

1. The Company prepares under its own responsibility and on the account of the Government all the floating equipments and all other necessary equipments to guide ships, barges, vessels, big sailing boats, bring them to the new pier situated south of Jedda and take them out to the sea, prepare the necessary pilots, crew, labour force, for all those operations in accordance with the number to be agreed upon by the Government and the Company. Shipping Agencies have the right to choose their pilots provided they inform the Company about them.

2. The Company prepares under its responsibility and on the account of the Government all labourers and means necessary for the discharge or load of goods of different kinds or weights in the Customs zone at the new port whether those ships are anchoring at the new pier or at the quay or far from the piers along the coast. Moreover the Company takes charge of storing the goods in the Government warehouses which belong to the Customs, arranging them and withdrawing them after completing the Customs procedures and collecting the duties according to the regulations.

3. The Company prepares under its responsibility and at the expense of the Government all the necessary means and equipment to transport all persons and goods at the port, or at the pier, from the port area to the City of Jedda and vice versa.

4. The Company prepares under its responsibility and on the account of the Government what is necessary for regular work, such as the maintenance and operation of the pier, port and equipment, stores, means of transport, and it should do all these works as quickly as possible to avoid any delay in the work at the port and to be ready day and night according to necessity to receive passengers and cargo.

5. The Company prepares under its responsibility and guarantee a detailed statement of all the arrangements it is going to make in order to administer all those operations, staff, workers, equipments which ensure proper running of the work at the port and to show the cost of all that, and this statement shall be valid for one year, and it should be presented to the Government in order to obtain its consent and confirmation before the lapse of one month from the date of this Agreement.

6. The Company is obliged to respect all rules and regulations, instructions concerning Customs, Coast Guards, Ports and Lighthouses, Companies Quarantine and Passport offices and it shall be responsible to see that its employees respect those rules and regulations.

7. The Company with the participation of the Ports and Coast Guard services, shall prepare a project for the different tariffs concerning tonnage, mooring, pier and pier operations, harbour charges, night work, floating equipment charges, and other charges which are usually collected for the Government, local, municipal or other offices at the ports of civilized countries. This project should be presented to the Government in order to be agreed upon and confirmed before the elapse of one month from this Agreement.

8. In order to enable the Company to perform its duties according to the provisions of this Agreement it has the right to use at its own responsibility all the necessary equipments, cranes, etc. which are available and required for operating the port.

9. The Company shall be responsible and guarantee any loss in life or property which might happen on land or sea as a result of executing or managing the operations required according to this Agreement and according to Islamic Law and to the rules and regulations adopted in civilized countries.

25. As regards parcels which have no marks or numbers or which have marks or numbers similar to those of other parcels arriving on the same boat, the Company should ask the shipping agency concerned to put a recognizing mark on the parcels, and this mark should be registered on all the documents of the consignment. Parcels the apparent condition of which indicate that they are damaged should be separated and an acknowledgement should be obtained from the captain or the representative of the shipping company, concerning the condition of these parcels; they should be weighed and the weights should be marked on them before being stored in the proper place in the warehouse. If these packages are consigned for Government Departments they must be checked in the presence of the representative of the Government department concerned. The shipping agencies are responsible under all conditions for the repair of those packages as found necessary by the Company so that it may be able to receive them.

26. The Company shall receive the big parcels such as cars, machines, furniture boxes, iron beams or bars, pipes, lumber building materials and similar materials outside the Customs warehouses.

27. The Company should notify the Customs immediately of the perishable goods, in case the consignee does not come forward to receive them, and if the goods are not withdrawn immediately they shall be considered as unclaimed. The Customs should send an estimator to inspect the consignment and to decide if the situation requires immediate sale or whether it could be postponed. As regards parcels landed by mistake, if the shipping agencies presented a request for re-exporting them to their original destination, and the Customs Authorities are convinced after examining the documents and original manifest that they were consigned for another port, they shall notify the Company to return the goods to the ship under Customs supervision.

28. The Company agrees with the Customs to specify a certain fenced space in each warehouse for "Visitor" procedures, and the Company should provide the porters necessary for carrying the parcels, opening, reclosing and returning them to their original place in the warehouse after inspection. But the consigneesmay bring openers from their side and at

16. It is not allowed to discharge any cargo arriving by sea before presenting an application to the Customs signed by the Captain or the Agent of the shipping agency attached to the original copy of the manifest and two copies in Arabic. The Company before commencing the discharge should make sure of the permission of the Customs for the discharge according to an official letter. The Customs after checking the manifest has to give a copy of it to the Company for sending it to the customs warehouses in order to receive the ships cargo accordingly. The receipt and delivery of the goods at the warehouses should be in the presence of the representative of the Shipping Agency. The Customs may permit mail ships which have local agencies to discharge the cargo before presenting the manifest, and the Company should receive the consignment until the manifest is presented within 36 hours at the utmost, and if the consignment contains goods which should be unloaded in spacial places such as inflammable goods, the shipping agencies should present a statement of two copies in Arabic of those goods in order to send one to the Company and the other to the port where the unloading shall take place. The representative of the shipping agency should endorse his copy indicating that the goods have been transferred to some other place.

17. It is forbidden to discharge inflammable, dangerous, corrosive or explosive goods over ordinary goods, and they should be put in separate vessels or barges and be stored in special places according to Customs instructions; as regards highly inflammable and explosive materials they should not be discharged except in accordance with the conditions and in the places agreed upon, by the Public Security Department and the Ministry of Defence.

18. The Company should avoid as much as possible leaving the goods on the pier and has to transport the ships loads immediately to the Customs warehouses or to the proper places. Nevertheless, it is possible to discharge goods on the quay provided they are carried to the warehouses immediately.

19. The Customs Commissioner has the right to stop the discharge at any time especially if the Shipping Company refused or was late in presenting the manifest; and he should immediately write an official report stating the reasons which induced him to stop the discharge.

20. Imported goods shall be carried from the pier to the warehouses or to the proper places by porters or means of transport procured by the Company and at the expense of the Government.

21. The Company takes charge of carrying the passengers and their luggage from the ships to the inspection section at the Customs and the Customs collect the fees of transportation, portage together with the Customs duties if due, and that shall be added to the credit of the account of the Government in the Company's books.

22. While storing the goods in the stores or other places it should be entered immediately in the receipt books with the marks and numbers and the Company should, after receiving the consignment, give the representative of the Shipping Agency or the Captain a receipt. Nevertheless, the entry of the parcels in the book of receipt is considered as evidence that the Company has actually received the consignment. The Company should notify the Customs Administration by writing on the manifest copy a statement of the packages that have not arrived and a statement of the parcels that arrived but not included in the manifest, or of the damaged parcels, so that the Customs may ask the shipping agencies for the necessary explanations.

23. The Company has to write the number of the ship's journey on every parcel while being received, and these numbers are registered by the manifest section serially on every manifest presented to it.

24. When receiving the goods in the warehouses, the Company should arrange the goods of every ship separately and should see that the number of the ship's journey is marked on all packages and that the numbers and marks are visible so that parcels may be easily located in the piles, also that the height of the piles and the width of the passages are consistent with the Customs regulations."

25. As regards parcels which have no marks or numbers or which have marks or numbers similar to those of other parcels arriving on the same boat, the Company should ask the shipping agency concerned to put a recognizing mark on the parcels, and this mark should be registered on all the documents of the consignment. Parcels the apparent condition of which indicate that they are damaged should be separated and an acknowledgement should be obtained from the captain or the representative of the shipping company, concerning the condition of these parcels; they should be weighed and the weights should be marked on them before being stored in the proper place in the warehouse. If these packages are consigned for Government Departments they must be checked in the presence of the representative of the Government department concerned. The shipping agencies are responsible under all conditions for the repair of those packages as found necessary by the Company so that it may be able to receive them.

26. The Company shall receive the big parcels such as cars, machines, furniture boxes, iron beams or bars, pipes, lumber building materials and similar materials outside the Customs warehouses.

27. The Company should notify the Customs immediately of the perishable goods, in case the consignee does not come forward to receive them, and if the goods are not withdrawn immediately they shall be considered as unclaimed. The Customs should send an estimator to inspect the consignment and to decide if the situation requires immediate sale or whether it could be postponed. As regards parcels landed by mistake, if the shipping agencies presented a request for re-exporting them to their original destination, and the Customs Authorities are convinced after examining the documents and original manifest that they were consigned for another port, they shall notify the Company to return the goods to the ship under Customs supervision.

28. The Company agrees with the Customs to specify a certain fenced space in each warehouse for "Visitor" procedures, and the Company should provide the porters necessary for carrying the parcels, opening, reclosing and returning them to their original place in the warehouse after inspection. But the consignees may bring openers from their side and at

their own expense without deducting any amount from the duties or charges.

29. All samples requested by the Customs are sent to the estimation section for inspection, then returned to the parcels and this procedure should be registered in the samples book.

30. The Company has to endorse all the procedures certificates ~~of clearance~~ before clearing the consignments, indicating that it has received the goods in its warehouses or any other place, and indicating the date of discharge and the condition of the goods if damaged, also the warehouse number, the journey number and the name of the ship.

31. The Company should not deliver any goods neither from the stores nor from the pier or any other place, except according to a release permit from the Customs attached to the delivery order which the Company keeps after being signed by the person concerned indicating that the goods have been delivered to the consignee or his representative and that the Company has collected the portage fees. The Company has to provide cards indicating the load of the cars or carts showing the number of parcels, marks and numbers, delivery order number, date of delivery and number of car or cart, and name of driver. The exit of those cars or carts shall not be permitted except after presenting those cards to the chief gateman and after being checked by him. The Company has to see that no packages are taken out from the warehouses unless the means of transport are standing by the warehouse door.

32. Release permits presented to the Company after the expiration of the date fixed for actual delivery, should be returned to the Customs for confirmation and for collecting the demurrage charges if due. Any way those demurrage charges shall be collected by the Customs and shall not be subject to the commission of the Company as stated in this agreement.

33. The Company should not ship goods in general whether for export or transhipment or direct transhipment except with the permission of the Customs, and according to release permits in the first two cases and according to orders in the third case.

34. All goods found in the warehouses or storing places and not entered in the receipt books shall be treated by the Customs as smuggled goods and the Company shall be responsible for the due fines according to the Customs regulations and tariff.

35. As regards goods that are abandoned by their owners according to a written statement, also the minor things found in the warehouses or storing places or at the pier, the source of which is not known, the Company should notify the Customs about those goods in order to be treated as unclaimed goods, and that includes parcels the owners of which do not come forward to receive them within three months from the date they were unloaded, also seized goods, goods thrown by the sea and prohibited goods; and the manifest section should also be notified about those goods. The unclaimed goods warehouse shall be under the control of the Customs employees only, and nothing shall be stored except after being weighed, tied with wire, described, and sealed with lead. The disposal of the contents of this warehouse shall be done by the Customs employees and according to the customs regulations, and they may ask the help of the Company's porters for the purpose of carrying, arranging, loading, unloading and inventory.

36. The Company is responsible for any damage to the goods caused by its workers and porters or by their carelessness or which was directly caused by them, and it is not responsible for the damage caused by a force majeure such as fire. If the goods are in the Customs area, they shall remain so at the responsibility of the owners who should withdraw them quickly; and they have the right to insure those goods. Nevertheless the Company is responsible for the goods which are lost after being recieve by the Company against a receipt given to the shipping agency. The Company is also responsible for those goods it receives in good condition and are found later damaged or short. But the Company is not responsible for the contents of the packages if the outside appearance of the package is in normal condition.

37. The Coast Guards Service is responsible for guarding the Customs area whether at sea or on land, day and night; nevertheless the Company is responsible for guarding the goods during discharge, transport, storing, inspection and release, and on the whole as long as the goods are in the Customs area from the time they are received from the ships. The Company should put special guards on the goods stored outside the warehouses. At the end of the official work hours warehouses shall be inspected and closed with two different locks, and one key shall remain with the Company and the other with the Coast Guard Chief staying at the Customs, and the guards should be advised to check the locks and to close the gates firmly. As regards the goods received outside the warehouse, they shall be received according to a daily report of receipt and delivery. If it was discovered that the locks or gates, windows or roofs are broken, or if a deficit in the goods received outside the warehouses is discovered, the Company should notify the Customs immediately in order to make a thorough investigation and to check all the goods in the warehouses. This is besides the right of the Customs to check the goods partly or completely at any time, without giving any reasons.

38. The Company should obtain personal cards for its employees and workers for identification, certified by the Coast Guards and the Customs Authorities. Each one has to produce his personal card when he is asked to do so, otherwise he shall not be allowed to enter into the Customs area.

39. Customs inspection on goods and persons is the concern of the Customs Administration who has the right to ask the help of the Coast Guards to avoid smuggling or escape, until the custom's procedures are completed. Contraventions made against the Customs regulations shall be the concern of the Customs Administration who has to make the investigation, seize the smuggled goods and refrain from giving the release permit concerning suspicious goods or persons. The Customs should have secret service men and the Company has to help in the discovery of contraventions and accused persons.

40. Traffic at the main customs gate at night and during holidays shall be subject to customs regulations set by the Government. The customs warehouses may be opened for work at night according to the Government's request.

41. The Company is responsible for providing fire extinguishers suitable for use always for extinguishing fires in the warehouses and in other places where those extinguishers are needed; and it should prohibit smoking or lighting any fire near the warehouses. In case of fire the warehouses should be opened even if they are locked and the customs should be notified immediately.

42. In case the Coast Guards or the Customs authorities suspected any of the Company's employees or workers, the Company has to change him immediately. The Company should not allow anybody to enter the warehouse or come near the goods except those concerned as agreed upon by the Customs Administration. The Customs have the right to search the Company's staff, employees and means of transport.

43. The Customs Administration has the right to supervise all the Company's operations and to inspect the warehouses and goods, and check the books and operations and the documents in the Customs area in order to check the execution of the instructions and obligations. The Government has the right to check the Company's books, accounts and other papers through an official of the Ministry of Finance or a delegate appointed for this purpose.

44. The Company has to keep in its office at the Customs area a set of books for entering stored and delivered goods according to the entry system agreed upon by the Company and the Customs Administration. The Company has to keep in its office in Jedda proper accounting books according to the instructions of the Ministry of Finance to enter all income and expenditure, and has to keep all confirmed vouchers, statements of expenditure, which should be signed under any condition.

45. The correspondence between the Company and the Government concerning all matters connected with this agreement is to be done through the person of the Minister of Finance except those matters assigned for other departments according to this agreement.

46. The Company pays on behalf of the Government all salaries, prices, wages, expenses and as a whole all expenses necessary for the execution of these obligations of the Company according to this Agreement for the purpose of operating, administering and maintaining the port and for carrying passengers and goods to and from the port. The Government has to provide the Company with all the necessary tools, equipment, and means of transport which were bought for this purpose.

47. The Company's workers should take charge of cleaning the port, piers, jetties, passages, warehouses and other storing places.

48. Goods consigned for the Company or any of the partners are to be stored in a separate place in the warehouses or other storing places under a special sign; this also includes goods imported by the Company's ships or by the ships belonging to the Company's agents, and it should be observed that ~~that~~ the load of each ship be always stored separately.

49. The Coast Guard, ports and customs services should collect custom duties, pier charges and other charges, each in its capacity according to official regulations, instructions and tariffs. In addition to that the Customs Administration collects the fares of transporting the passengers and their luggage from the ships to the inspection section in the Customs Building, and vice versa. Besides that, the Company collects charges for using the port's equipment on land or sea, and for using the vessels, barges, boats and all other floating mechanical units and also pilotage charges.

50. The Company shall have a suitable office in the Customs Building, and it should always be ready to face the needs of the port as regards workers and means of transport.

51. All maintenance expenses and transactions which exceed 10,000 Rials should be approved by the Government beforehand according to written permission from the Ministry of Finance. Any damage in the pier or the buildings must be immediately registered in a report in the presence of the representatives of the Coast Guards, the Customs and ports.

52. If the Company violates any of the provisions of this agreement, causing the delay of the work for more than one day, or the disturbance of the law at the port, which may result in breaking the regulations of the Customs, Coast Guards, public security; or if the Company or any of its responsible employees committed any Customs contravention, or if it occured to the Government that its confidence in the Company, on the basis of which this agreement has been made has been out of place, and if the Government warned the Company but it did not correct its mistake within a reasonable period, then the Government may impose a suitable penalty.

53. To compensate the Company for the proper fulfillment of its obligations according to this Agreement, and in return for all the advice and consultations which the Company provides for the Government for operating, maintaining and administering this port, and for transporting the goods and passengers, storing, etc. the Company has the right to get 5 per cent of the total income which it collects for the account of the Government according to the provisions of this Agreement. The Company can draw a part of its commission during the year on account; and it should deposit at the end of each month in the bank appointed by the Government, the balance of the amount which it received after paying the expenses.

54. The Company guarantees that its employees, workers, representatives, pilots, are of good experience and reputation, and it should give priority when appointing its staff to the Customs employees as well as others; and in cases where the regulations require permits, then the Company should obtain these permits.

55. The period of this Agreement if ten H. years, as from the date this Agreement is signed and it shall be liable for renewal for a similar period and so on. But the Government has the right when legal justification arises to cancel this agreement before the expiration of this period by sending a written notice to the Company a month before the date of cancellation.

56. All disputes arising between the two parties as a result of this agreement or its execution or interpretation should be submitted to arbitration.

57. This agreement has been made of two copies of equal force, signed by both parties, and each party shall keep a copy to act accordingly.

First Party Second Party

Copy